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Note verbale dated 11 July 2000 from the Permanent Mission of Bulgaria to the United Nations addressed to the President of the Security Council

The Permanent Mission of the Republic of Bulgaria to the United Nations presents its compliments to the President of the Security Council and has the honour to refer to the Mission's note verbale dated 22 March 2000 (S/2000/240) informing of the establishment of a special interdepartmental commission to investigate the allegations in the report of the Panel of Experts on Violations of Security Council Sanctions against UNITA contained in document S/2000/203 of 10 March 2000.

In connection with paragraph 7 of Security Council resolution 1295 (2000) of 18 April 2000 concerning the situation in Angola, inviting the States referred to in the report of the Panel of Experts to inform the Security Council Sanctions Committee of the results of such investigations, the Permanent Mission of the Republic of Bulgaria has the pleasure to advise that the commission's report ("Findings and Conclusions") has been recently approved by the Council of Ministers of the Republic of Bulgaria and is being submitted herewith as an annex to the present note verbale for information and the kind consideration of the members of the Security Council.

The annexes and attachments to the commission's report, containing exclusively technical information, have been duly presented to the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola.

The Permanent Mission of Bulgaria would be grateful if the contents of the above note verbale and its annex could be circulated as a document of the Security Council.

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Annex to the note verbale dated 11 July 2000 from the Permanent Mission of Bulgaria to the United Nations addressed to the President of the Security Council

FINDINGS AND CONCLUSIONS

OF THE GOVERNMENTAL COMMISSION ESTABLISHED BY THE COUNCIL OF MINISTERS OF BULGARIA ON 16 MARCH 2000 TO INVESTIGATE THE ACTIVITIES OF THE INTERDEPARTMENTAL COUNCIL ON THE MILITARY-INDUSTRIAL COMPLEX AND THE MOBILISATION CONVENIENCE AND OF THE COMMISSION FOR CONTROL AND PERMISSION OF FOREIGN TRADE ACTIVITIES IN ARMS AND DUAL-USE GOODS AND TECHNOLOGIES WITH REGARD TO THE REPORT OF THE UN PANEL OF EXPERTS ON VIOLATIONS OF UN SECURITY COUNCIL SANCTIONS AGAINST UNITA

In compliance with the Decision under Agenda Item 29 of the Council of Ministers Meeting on 16 March 2000 /Protocol N 12/, the Governmental Commission composed as follows:

Mr. Theodossy Simeonov - Minister of Justice - Chairman, and members: Mr. Vassily Takev - Deputy Minister of Foreign Affairs, Mr. Velizar Shalamanov - Deputy Minister of Defence, Ms. Politimi Paunova - Director at the Ministry of Economy, Mr. Bozhidar Popov - Chief Secretary of the Ministry of Interior, Mr. Theodor Georgiev - Director at the Ministry of Finance, and Mr. Grozdan Karadjov - Chief Secretary of the Ministry of Transport and Communications,

has conducted a profound investigation into and analysis of the activities of the Interdepartmental Council for the Military-Industrial Complex and the Mobilisation Convenience, and of the Commission for Control and Permission of Foreign Trade Activities in Arms and Dual-Use Goods and Technologies.

The Commission investigated all known facts and circumstances, related to the allegations concerning Bulgaria included in the Report of the Panel of Experts on Violations of Security Council Sanctions against UNITA. The Commission held hearings with Mr. Hristo Mihaylovski - Deputy Minister of Economy, Mr. Blagoy Guenov - Secretary of the Interdepartmental Council for the Military-Industrial Complex and the Mobilisation Convenience, as well as with Mr. Iliya Chalev - former Secretary of the Commission for Control and Permission of Foreign Trade Activities in Arms and Dual-Use Goods and Technologies. The Commission examined and analysed the available documentation and information related to the findings of the UN Panel of Experts and in particular to paragraphs 40-46 and 51 of the Report, including allegations on training in Bulgaria of military personnel from Zaire. Current practice, documentation procedures and information available in the Ministries and Governmental agencies involved, regarding issues raised by the Panel of Experts, were also subject to investigation.

The Commission also sought, through the Ministry of Foreign Affairs of the Republic of Bulgaria, the co-operation of the Governments of Togo and Angola in identifying sources of information which could have proved relevant to the Commission's inquiries; unfortunately, the substantial issues raised in the requests addressed to these two Governments in the respective Notes Verbales of the Bulgarian Foreign Ministry remained without response. Therefore the findings and conclusions which follow are based primarily on Bulgarian national information sources.

FINDINGS

The Commission arrived at the following findings with regard to the allegations in the Report of the Panel of Experts :

1. With respect to Question No. 1 /"Copies of all end-user certificates from Togo, related to arms deliveries or training of military personnel, issued after 1997"/, the Commission found that end-user certificates from the MoD of the Republic of Togo, related to arms deliveries and training of military personnel and issued during the period 1997-1998 were present in the files. Since 1997 the Commission has issued 19 permits for arms exports to the Republic of Togo. Nine of these have not been executed.
The end-user certificates for all permits were issued by the MoD of the Republic of Togo, and were signed by Col. Assani Tiddani. The authenticity of some of these EUC has been verified by the Bulgarian MFA through the Embassy of Togo in Moscow.

2. Regarding Question No. 2 /"The names of individuals and/or companies engaged in broker activities under a certain number or under all transactions, requiring end-user certificates from Togo"/, the Commission found that the Bulgarian manufacturers have acted through the intermediary of only one trade company - "CAS-Engineering Consortium" Ltd. - Sofia, with manager Mr. Russi Hubanov Russev, PIN 4202012242, and through its off-shore branch "CAS-Engineering Consortium", registered in Gibraltar with manager Mr. Petar Dimitrov Mirchev, PIN 6509022205, himself a former employee of the "CAS-Engineering Consortium" Ltd. - Sofia. The address of the company based in Sofia is "Slatina" Municipality, 23 Golosh Street.

3. Regarding Question No. 3 ("Information on transportation of deliveries under transactions for which a Togolese end-user certificate was issued") the Commission found that the deliveries were forwarded by the transportation company "Air Cess". The Commission requested the Ministry of Transportation and the General Customs Directorate to make available all information concerning flights operated by "Air Cess" company referred to in the Report of UN Panel of experts within the period since 1997 (over 80 flights), departing from the airports of Burgas, Plovdiv, and Sofia. All available documents of the Company related to flights having as a point of departure the territory of Bulgaria were examined. Detailed data concerning each flight can be found in **Annex I** to this Report.

4. Regarding Question No. 4 ("List of the transportation companies authorised to transport arms and ammunitions from Bulgaria by air"), the Commission verified the list of all transportation companies which had been issued a permit to transport arms from or to Bulgaria by air. For the period 01.01.1997-30.03.2000, in accordance with paragraph 3. subpara. 3 and 4 of the Council of Ministers Decree No. 38/1996, the Ministry of Transport and Communications submitted to the Interdepartmental Council for the Military-Industrial Complex and Mobilisation Convenience with a view to issuing licences for transportation of arms, certificates concerning the following Bulgarian air cargo companies:

"Inter Trans-Air"
"Rila Air" AD
"Air Sofia" AD
"Balkan"AD
"Vega Airlines" OOD - Sofia
"Air NOVE"-Sofia
"Bulgarian flying Cargo" AD - Sofia
"Air Zori"- Sofia
"Heli Air"- Sofia
" Zori Air Cargo"-Sofia

5. Regarding Question No. 5 ("Information on possible agreement between Bulgaria and Zaire for training of military personnel during the period 1995-1997") the Governmental Commission found that a contract for the training of military personnel in 1996 existed, involving as parties the Ministry of National Defence and Security of the Territory and the Military veterans of Zaire and the Bulgarian Ministry of Defence. The list of Zairian personnel, their passport and other data are provided in **Annex II** to this Report.

In the period August - October 1996, 39 military specialists from the Ministry of Defence of Zaire had been trained in "P. Volov" Air Force Academy in the town of Shumen, Bulgaria, with the authorisation of the Ministry of Defence General Staff. The Zairian military specialists were trained for command positions on the "KUB" anti-aircraft missile complex.

6. Regarding Question No. 6 /"Allegations regarding flights presumably operated from the territory of Bulgaria since 1997 with destination to Andulo (Angola), Bailundo (Angola), Kara (Togo)/, the Commission, after having examined the air traffic control records for each flight leaving Bulgaria to Angola and Togo, found that the above mentioned destinations were not present in the ICAO database and therefore no data existed about any alleged flights from Bulgarian territory to those destinations. The Commission investigated into all flights departing from Bulgaria to airports in Congo, Togo, Zambia and Zaire for the examined period, as well as all the air companies which operated flights to these countries. In connection with specific questions put by the Panel during their visit in Bulgaria, the Commission inquired specifically into the following cases:

Air Memphis - Egypt
Flight No. MHS 200/03.10.1997, airplane B707/SUPBB, departing form Belgium and landing in Burgas (14.40 hours). Departure from Burgas at 22.48 hours the same day with destination Luanda, Angola with a cargo manifest on defence equipment.

Air Cess - South Africa
The company is registered in Swaziland, RSA. Based in Sharjah, United Arab Emirates.
Flight No. ACS705/19.01.1998, airplane IL-76/3DRTT. Departure from Burgas 02.07 hours with destination Lome, Togo.

Air Nove - Bulgaria
Flight No. NHA8003/08.10.1999, airplane An-12/LZRAA (property of the air company Rila Co.). Departure from Gorna Orjahovitsa at 08.40 hours with destination Niamtougou, Togo. The cargo manifest declared defence equipment of Armimex Shareholding Company (1000 automatic machine guns). The permission No. 1780/05.10.1999 for this export was issued by the Commission for Control and Permission of Foreign Trade Activities in Arms and Dual-Use Goods and Technologies at the Ministry of Economy, on the basis of an end-user certificate issued by the Presidency of the Republic of Guinea.

7. On question No. 7 (Any information on arms dealers known by the names of Imad Kabir and Jean Seber, believed to be of Lebanese origin), concerning the particular arms dealers, the investigation found no data in the databases of the Ministry of the Interior and the Security Services about possible presence of these persons on the territory of the Republic of Bulgaria.

8. On question No. 8 (Name of the arms dealers who brokered the deal involving false Zambian end-user certificates, as well as the names of other individuals and/or companies involved in the transaction) the following has been established:

On 19/10/1998 the Commission for control and permission of Foreign Trade Activities in Arms and dual-use goods and technologies with the former Ministry of Trade and Tourism issued to Metalchim Commerce Share holding Company permission No. 1281/1998 for the sale of 30 pcs. P27P rockets to the US company Miltex, which had presented an end-user certificate, issued by the MoD of Zambia. The commodity was property of the Bulgarian MoD and with the permission of the General Staff of the Bulgarian Army an inspection, testing and approval of the items had been conducted. Upon request by the Ministry of Trade and Tourism the Ministry of Foreign Affairs carried out a verification of the end-use certificate, as a result of which it was found that the document was not authentic. According to existing information, the certificate had been submitted to Mr. Orlin Ivanov Vaglenov, PIN 5109266822, president of Metalchim Commerce Share holding Company, by Mr. Botyo Peev Peev, PIN 5208066844, who was representative of Miltex-USA and former manager of Start Bul Ltd. - Sofia, licensed for foreign trade activities in arms until 1997.

As regards the additional questions addressed by the Panel of Experts on UNITA Sanctions to the Bulgarian authorities, the findings are as follows:

* In relation to the question whether there are records on the three particular persons, the data bases of the Republic of Bulgaria contain information only on Victor Bout, who, according to data of the Border Police made visits to Bulgaria in the period 1995 to 1999. During that period this individual visited plants of the Military Industrial Complex (during 1999 he visited "VMZ" - Sopot, "Arsenal"-Kazanlak, "Arcus" - Ljaskovets, "Beta" - Cherven Brjag, "Samel" - Samokov and "Niti" – Kazanlak) in the capacity of a receiver of special equipment for Rwanda. The export was executed by the "KAS-Engineering Consortium" Ltd. There is no evidence of visits to Bulgaria by any of the other persons whose names were cited by the Panel of Experts.

* In connection with the question whether grounds existed for the allegations that arms deliveries to UNITA had been made by air with AN 32 or AN 24 type of aircraft which allegedly took off from Bulgaria having unloaded and refuelled, the Commission demanded information on cited aircraft, as well as on all cargo (transport) aircraft having operated flights from Bulgaria in the period under consideration. From the obtained information it can be concluded that AN 32 and AN 24 type aircraft are not capable of flying over such long distances without series of landings and refuelling. From the certificates available and on the basis of information provided by the Customs Authorities, it was found that such small aircraft had not been used for transportation of equipment under the different contracts.

The Governmental Commission attaches hereto data provided by the Ministry of Transport on Il-76 and other cargo aircraft which had operated flights to destinations in the countries in question. **(Annex I)**

* The Commission also attaches to this report a list of the companies which had been licensed to perform foreign trade activities in arms during the investigated period **(Annex III)**.

* On the question about how "brokering" of deals in arms and dual-use goods is regulated under the Bulgarian legislation, the Commission found that currently the issue is not legally regulated.

* In connection with the question on how the Bulgarian authorities proceeded in response to indications or allegations in the media on alleged involvement of companies in illegal deliveries of special equipment, the conclusion of the Commission is that in such cases the requirements of the Bulgarian laws in force are duly respected. Each media allegation is considered by the Commission and in cases of a serious doubt an investigation is initiated by the authorised institutions (Ministry of the Interior and the Prosecutor's office), while the execution of the deal in question is suspended for the duration of investigative proceedings. If the allegations are confirmed, the license of the company is revoked.

* As regards the question about the portable anti-aircraft system IGLA, missile No. 1915285 and launcher No. 009M322, and anti-aircraft gun ZU-23 No. 34085NM34, the Commission established that weapons with the indicated markings have neither been manufactured nor repaired on the territory of the Republic of Bulgaria.

CONCLUSIONS

Upon thorough examination of relevant data and material evidence available to the Commission within the scope of jurisdiction of the Republic of Bulgaria,

Drawing on the results of investigation into specific issues regarding Bulgaria addressed in the Report of the Panel of Experts established pursuant to UNSC resolution 1237 (1999),

Given the absence of reference in the UN Panel Report to convincing specific and direct evidence in support of the allegations regarding Bulgaria,

The Commission concludes:

- No material proof has been found to corroborate the allegations of the UN Panel Report in respect of possible involvement of Bulgarian authorities, government officials, Bulgarian trade companies or persons permanently resident and operating in the territory of Bulgaria, in deliberate or knowingly committed violations of UN sanctions against UNITA

- The allegations regarding training of UNITA military personnel in the territory of Bulgaria have not been confirmed

In spite of the above findings, the Commission has found certain weaknesses and deficiencies in the functioning of the Arms and Dual-use Goods Export mechanism of the Republic of Bulgaria, including in the implementation of relevant legislative provisions and regulations, inter alia in the areas of processing and storage of documentation, timely submission of reports where required, and inter-agency co-ordination. In this respect the Commission recommends that adequate measures be identified, considered and decided upon by the Council of Ministers, with a view to enhancing the efficiency of State control over foreign trade activities in arms and dual-use goods and technologies and in order to strengthen the existing mechanisms in this field. In addition, with regard to the specific issue which was subject to the present inquiry, the Commission recommends that the Government adopt a comprehensive regulation to ensure strict and consistent implementation of the UN sanctions and restrictions regarding UNITA.